Unifor Submission to HUMA Study on Labour Shortages, Working Conditions and the Care Economy

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About Unifor

Unifor is Canada's largest private sector union with 315,000 members working in virtually all sectors of our economy. Over half of our members live and work in Ontario, making Unifor one of this province's largest and most important trade unions.

Despite our footprint in various private industries, Unifor represents a significant number of workers in public services, including the health care sector. We represent more than 30,000 health care and social service workers in who work in hospitals, long-term care homes, retirement homes, ambulance services, home care, health clinics, and various social services.

Labour Shortages, Working Conditions and the Care Economy

Unifor is pleased to see this study going forward; however, it is also important to acknowledge the vague nature of the study and lack of focus. It is unclear if the committee is looking broadly at labour shortages and working conditions across the economy or specifically at labour shortages and working conditions in the care economy.

This submission will focus significant attention on the care economy while providing some detail and recommendations in a few other federally regulated sectors as well.

What is the Care Economy?

The Care Economy includes activity in the education, health care and social services sectors. Together, these industries create more than 12% of Canada's GDP and sustain more than 21% of all jobs in the Country – and this is in the face of chronic underfunding and under-resourcing of the sectors. Imagine what could be achieved if they were funded adequately.

Furthermore, these numbers do not include the hundreds of hours of unpaid care work people, mostly women, provide to their family members, friends and communities.

What does the data say about labour shortages…..

In the Broader Economy

The Labour Force Survey released in March 2022, shows evidence that Canada is getting closer to having recovered the level of employment the country was experiencing prior to the pandemic.

The unemployment rate was 5.5%, slightly lower than February 2020. The employment rate was 60.8%. Again, slightly lower than February 2020 - there are still about 30,000 jobs to be created before we are back to the pre-pandemic employment rate. The composition of full-time and part-time work is now back to the same as pre-pandemic.

Job vacancy data, which lags Labour Force Survey data by about 2 months, shows that in Q4 2021 the job vacancy rate was 5.3%, 2.2 percentage points higher than Q1 2020. The job vacancy rate was elevated in every industry. This data was collected at a time when Omicron related lockdowns were being put in place and Canada was still missing more than 200,000 jobs to reach the pre-pandemic employment rate.

The numbers above indicate a tight labour market – but is it a labour shortage? At the same time as the statistics above were calculated, there were still 1.16 million people unemployed and actively looking for work and wages weren't rising.

The average offered hourly wage in job vacancies across many industries has not changed dramatically over the pandemic despite the reported desperate need for staff. According Statistics Canada's job vacancy data, the sub-industries with the highest wage increases between Q1 2020 and Q4 2021 (unadjusted for seasonality) were Business-to-business electronic markets, and agents and brokers, broadcasting and publishing services. After adjusting for inflation, the average increase in average offered hourly wage was -3.5%.

The sub-industries with the highest increase in the job vacancy rate, on the other hand were General merchandise stores, couriers and messengers and clothing manufacturing. Labour market wide, the job vacancy rate increased by 71%.

One action employers can take when faced with a labour shortage is to raise wages. But, there is no evidence that wages are rising on a broad scale. The average offered hourly wage growth is inadequate compared to the significant workload increase experienced by health care professionals, in recognition that they were and continue to be grossly underpaid or in comparison to the increase in the job vacancy rate reported by Statistics Canada.

In a few isolated incidents, Unifor bargaining units have negotiated wage increases earlier than planned because employers were struggling to attract new workers. This has led to significant wage increases at Loblaws in Ajax and in the Sea-to-Sky corridor in B.C. At the same time, some bargaining units in sectors hardest hit by the pandemic are facing down employer demands for concessions.

One major concern policy makers should take very seriously is the potential for the labour shortage mantra to drive a bad jobs agenda. The idea that people are not working because of government support or income security policy drives the idea that people are lazy and don't want to work. Keeping people desperate does not improve economic outcomes, it keeps people stuck in bad jobs without enough money to participate fully in economic and social life. Furthermore, in a tight labour market, suppressing wages and working conditions does not increase the likelihood that an employer will attract new employees.

For the first time in a long time, workers are in the driver's seat when it comes to negotiating wages, working conditions and in the case of going back after a pandemic, return to work processes.

Workers are demanding better from their jobs in order to have a better life in and outside of work. Employers are going to need to respond with higher pay and a focus on efforts to improve employment stability and creating work-life balance.

In the Care Economy

The labour shortage in the care economy is two-fold. First, the chronic underfunding of the care sector had led to a shortage of work available and required prior to the pandemic. Unifor members were often working short staffed and were not given the resources needed to provide the high quality of care that care workers are capable of and desire to provide. Second, the additional pressures caused by the pandemic simultaneously caused people to leave the sector just as more positions were being made available to be filled.

The job vacancy rate increased by nearly 70% in the health care sector between Q1 2020 and Q4 2021. The rate increased by 78% in hospitals. The sector accounted for 15% of the increase in the job vacancy rate pre and post pandemic – accommodation and food services was higher.

The average offered hourly wage in health care and social assistance was 3.1% higher in Q4 2021 compared to Q1 2020. This is an increase of less than 2% per year. Looking deeper into the industry, the increase in the average offered hourly wage in nursing and residential care facilities was 4.8% to $21.75. The increase was 2.5% in hospitals. After accounting for inflation, the average offered hourly wage shrunk by between 0.6% and 2.8% in the industry.

Again, there is a mismatch between the increase in wages offered compared to the desperate need for workers. And that barely scratches the surface of the working condition problems in the care economy.

Working Conditions in the Canadian Economy

It would be an understatement to suggest that the environment in which we are all currently living and working in has changed since the pandemic began. This has been particularly true for those employed in care work, including those in health care and social services.

The challenges faced by health care workers – including those working in hospitals, emergency services (e.g. ambulance services), long-term care, and home care – have been well documented throughout the pandemic. The mainstream media in Canada has covered the sector extensively, with news stories highlighting the level of fear and anxiety that workers have experienced in health and congregate care settings. Health care workers are burned out – physically and mentally – so many of them have left the sector entirely.

The long-term care sector has been hit particularly hard due to the disproportionate number of COVID-19 cases and related deaths, and the challenging working conditions for long-term care workers. High profile reports and mainstream media have exposed systemic failures in the long-term care sector, which include the lack of appropriate compensation for workers, inadequate funding structures, the lack of enforceable resident care standards, and the role of for-profit corporations in the sector.

Hailed as "COVID heroes," long-term care workers have faced so many challenges during this time. When the pandemic first hit Ontario, so many long-term care homes were ill-prepared, leaving workers without the appropriate personal protective equipment (PPE) they needed to keep themselves and residents safe. There were countless stories of workers trying to provide care without N95 masks and improvising with whatever supplies they could find (e.g. wearing garbage bags and homemade masks, etc.).

The trauma associated with working amidst the pandemic – dealing with resident deaths, being surrounded by immense suffering, working in a risky and unknown environment, among others – has taken and will continue to take its toll on these workers for years to come.

Many long-term care workers left their jobs during the first waves of the pandemic because of the threat that working in that environment would have on their health and well-being, or for other reasons related to the pandemic. This has left the remaining workers to work longer hours and with the additional pressure of being short-staffed on a regular basis.

To make matters more challenging, emergency orders in some jurisdictions like Ontario have allowed health care employers to supersede certain collective agreement provisions and operate with more flexibility with regard to staffing. Many workers have had their vacation time or leave opportunities limited or cancelled, along with having to deal with changes to their work or shift assignments that are out of their control.

The labour shortages in the care economy were not simply created by the pandemic. Rather, COVID-19 exposed cracks in our health and social service systems, and put workers over the edge.

For example, in both the for- and not-for-profit segments of the health care sector, employers consistently refuse to create full-time jobs instead creating more part-time and precarious work and eroding the full-time job pool, forcing employees to work multiple jobs in order to scrape together full-time hours. This was a disaster during the pandemic and will likely be again. Through the pandemic barely a handful of employers increased access to FT work. Instead they relied on overtime and on agency use, both of which are expensive and not publicly tracked.

To some degree, the federal and some provincial governments have acknowledged this fact and have taken measures to address these labour challenges in the care economy.

For example, the federal government's initiative to create a national child care system – and the subsequent cooperation of provinces and territories – is meant to make high quality care more accessible through the creation of new spaces and the reduction of parent fees. But a core aspect of the initiative relies on creating minimum wage floors and improving working conditions for early childhood educators in order to achieve these goals.

In Ontario, the government introduced a temporary wage enhancement for Personal Support Workers (PSWs) in October 2020, which has been subsequently extended and remains in place. At the time of the announcement, the government asserted that the investment would help attract and retain the workforce needed to care for residents and clients in response to the pandemic, and "help maintain more consistent wages and retain support workers across all sectors." The government recently stated its intention to make this wage enhancement permanent through legislation. In March 2022, the government also announced a "retention bonus" of $5,000 to nurses in the province, citing the need to retain nurses across the health sector and stabilize the current nursing workforce.

In Nova Scotia, the government announced the increase in the rate of pay for Continuing Care Assistants (CCAs) in the province by more than 20% in February 2022. At the time of the announcement, the government acknowledged how the province's continuing care sector has been facing serious recruitment and retention issues, leaving many CCAs working short-staffed under difficult conditions. The initiative increased wages – an annual increase of $9,000 – for most full-time CCAs, CCAs in health authorities, long-term care and home care.

It is clear that so much more must be done in the health care sector to heal the trauma related to the pandemic and correct the chronic underfunding that already existed and led to the pandemic being so much worse.

Recommendations to Improve Working Conditions in the Care Economy and Beyond

Reorient Long-Term Care to Improve Service

Seniors deserve to live in dignity and with proper care. Canada's long-term care system, responsible for delivering that care, is an important segment of the health care sector. It is broken and needs fixing. The federal government must work with the provinces and territories to establish care standards, remove the profit from care, and provide substantial funding to provinces and territories to support these measures.

Unifor recommends that government:

- Work in partnership with the provinces and territories to establish minimum standards of daily care and a comprehensive workforce strategy. Federal funding should be tied to adherence to the principles of the Canada Health Act;
- Phase out for-profit long-term care homes and transition toward community-based, publicly-owned or non-profit homes; and
- Immediately bring Revera – currently owned by the Public Sector Pension Investment Board – under public ownership.

Expand Pandemic Wage Increases Beyond Direct Carers and Make Raises Permanent

Delivering high quality care and education to patients and students takes an entire team of workers. While some provinces have recognized the gross underpay of Personal Support Workers and other client facing roles, many critical job categories have been left out despite the essential nature of their work. Custodians, janitorial services and food services deserve significant pay increases as well in recognition of the essential nature of their work and the chronic under pay they've experienced.

Unifor recommends that government:

- Work with the provinces to increase wages of a broader cohort of undervalued, essential workers in the care economy and to make any pandemic related increases permanent.

Ensure Public Programs are Under-pinned by Good Jobs

As a funder of child and health care services, government has significant power over the wages and working conditions of thousands of workers across the country. As the government makes critical investments in social infrastructure, it must take the broader view that public programs should improve the quality of life for those that use them and for those who deliver them. Government must lead in building good jobs – that ensure stability, security, decent income, access to benefits, equity and diversity in hiring – into all government programs and investments.

Unifor recommends that government:

- Mandate entry-level pay in any broader public sector (BPS) job must not be lower than a living wage;
- Ensure all workers are covered by strong health benefits agreements either through public programs such as medicare and pharmacare (which includes portability of benefits) and/or through privately-purchased supplemental health benefits;
- Ensure 70% of all jobs in the health care sector are full-time; and
- Consider implementing Community Benefit Agreements (CBAs) in forthcoming infrastructure projects to increase local employment opportunities and skills development, including among vulnerable and disenfranchised communities.

Further Raise the Minimum Wage and Establish a Low-Wage Commission

As the federal government looks to implement a $15 national minimum wage policy, government must ensure that wages for the lowest paid workers in federally-regulated sectors provide for an adequate standard of living.

Unifor recommends that government:

- Tie the minimum wage to 60% of the median wage for full-time workers;
- Establish a federal Low-Wage Commission that is:
    - Independent and includes members from key stakeholder groups including government, community groups, labour unions and employers;
    - Tasked with researching minimum wage policy in Canada and its impacts on workers, business and the economy; and
    - Required and equipped to provide government with recommendations on additional wage policy measures that are responsive to current and specific economic and social conditions.

Reform Employment Insurance for Adequacy and Responsiveness

Unifor welcomed recent federal efforts to make Canada's Employment Insurance system more responsive to the needs of unemployed workers. The pandemic laid bare the deficiencies of EI [1], including its inaccessibility to most workers, particularly those with low income. Special relief measures, delivered to millions of laid off workers during the pandemic, filled the void.

Returning to the system that existed before the pandemic is not an option. Unifor has prepared a comprehensive set of recommendations to reform the EI program [2]. This includes recommendations to:

- Expand EI Eligibility, including standardizing the entry requirement to 360 hours and base the qualifying hours and duration for existing claims on the most favourable time period;
- Enhance EI Benefits, including increasing the income replacement rate to 75% of previous earnings from current 55% and raise the ceiling on insurable earnings; and
- Improve EI Administration, including by reinstating federal contributions to the program.